

m/047/010



American Gilsonite Company

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January 5, 1996

Mr. Anthony A. Gallegos
Reclamation Engineer
Division of Oil, Gas & Mining
Department of Natural Resources
State of Utah
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203



Dear Tony:

As discussed, enclosed are the original documents for substituting a reduced surety bond along with the new surety bond. In accordance with our conversations, please take appropriate steps to get this matter on the January docket for execution.

I have also enclosed a copy of Robert A. James's cover letter wherein he requests return of the original old surety bond to his office indicated thereon. I would greatly appreciate it if you see to it that it gets forwarded to him.

Again, thank you for all your past, present, and future assistance in this matter. Please give me a call if you have any questions or have completed the filing.

Sincerely,

A handwritten signature in dark ink, appearing to read "Clifford O. Doner".

Clifford O. Doner
Chief Financial Officer

COD

Enclosures as indicated